



State of Utah

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## Department of Workforce Services

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### UTAH'S EMPLOYMENT SITUATION: JANUARY 2009

Utah's nonfarm wage and salaried job count for January 2009, as generated by the United States Bureau of Labor Statistics, contracted by 1.6 percent. December's previous employment profile of -1.9 percent has been revised upward by five-tenths to -1.4 percent. Approximately 20,400 jobs have been removed from the Utah economy over the past year, lowering total wage and salary employment to 1,224,100.

Utah's other primary indicator of current labor market conditions, the seasonally adjusted unemployment rate, continued to rise, increasing to 4.6 percent in January. Last January, the state's rate was 3.2 percent. Approximately 64,300 Utahns were considered unemployed in January 2009, compared against 43,400 last January, an increase of 20,900 unemployed workers. The United States unemployment rate also continued to rise, reaching 7.6 percent. Utah's unemployment rate for December 2008 has been revised down to 4.1 percent.

Mark Knold, chief economist for the Department of Workforce Services, commented, "We are continuing to move through what we hope will be the deepest portion of this economic downturn. Layoffs and plant closures are adding up and will continue to take their toll. The job market is still progressing through that phase where things will continue to worsen before a stabilization phase finally takes hold. We are seeing this deterioration first hand in the number of laid-off workers filing for unemployment insurance claims. The volume of those claims began to move upward in December, but that volume took a stunning leap in January, pushing claims to historic highs (although that nominal number has the caveat that we have a larger labor force now than ever before). If those high claim numbers were to ease off in the next month or so, then the economy should likely pan out as has been forecasted for 2009. However, if they remain disturbingly high beyond the next month, then we would have to revisit the expected depth and duration of this downturn. Although a sizable federal stimulus package is about to move into the economy, the path for the first half of this year has largely already been set."

To date, the economic slowdown is hitting men harder than women. That's due to the makeup of the industries this recession is impacting. Construction has been the hardest hit industry, dropping 14,000 jobs over the past year, and it is 80 percent comprised of male workers. Manufacturing is the next hardest hit, and it is composed of 70 percent male workers. These industries affected aren't unusual or necessarily unique to this downturn, although the construction aspect might be more severe than in past recessions. In recessions, these two "hard hat" industries are generally prime candidates for job losses, and they just happen to be male-centric industries. Female workers have a concentration in both the education and healthcare industries and, to date, those are the industries least impacted by this downturn.

#### **Utah Labor Market Indicators January 2009**

**Employment % Change: -1.6%**  
**Employment # Change: -20,400**  
**Unemployment Rate: 4.6%**

#### **United States**

**Employment Change: -2.6%**  
**Unemployment Rate: 7.6%**

Construction is anticipated to have more job losses throughout 2009, and will remain one of the larger job-loss industries. To date, most of the construction job losses have been on the residential construction side. New home building in Utah has fallen to a disproportionately low level, but it is not expected to fall further in 2009. That implies the job losses that have already occurred on the residential side have largely run their course. The anticipated additional construction job losses will now come out of the nonresidential, or commercial, side. That aspect of construction in Utah hit historic highs of permit-value approved in 2007 and 2008—two years running. Even in a good economy, Utah was destined to descend from that high nonresidential volume. Throw a recession in the mix, and the decline will now be more severe. Still, nonresidential construction is not as labor-intensive as residential construction. Yes the industry will continue to lose jobs in 2009, but the rate of job loss will probably stabilize and even start to decelerate as the latter half of the year develops.

Manufacturing is fast become the current major job-loss concern. This industry has been shedding jobs for the past year, down about 8,880 positions. But approximately half of those job losses have occurred in just the past two months (December and January). The economic downturn took on a new dimension after the stock market tumble of late September, and the manufacturing sector has really felt the brunt of its consequences.

So have many other industrial sectors, as only natural resources, education and healthcare, and government have expanded payrolls over the past year. Many industries that, throughout the strong expansion of the mid-2000s, created jobs are now shedding some of those jobs. Retail trade is down 1,400 jobs. The professional and business services area is down 1,700 positions. Another that has a noticeable job loss in just the past two months is the leisure and hospitality industry (a proxy for tourism), where jobs are down by 3,900 over this same time last year.

When one relies upon data as the major indicator of activities (whether the indicator is direction and/or magnitude), there is generally the constraint that one has to wait for the data to either develop, or to be reported. Because of that, most data series have a time lag attached to them (for example, we have to wait until March to report upon January data). Therefore, any data set that offers a more up-to-date interpretation is looked upon as a potential barometer. One such data set is the number of people filing for unemployment insurance claims. That activity can be measured on a weekly basis, and is available by the beginning of the following week. It is not a tell-all activity within the economy, but it can act as a signal or suggestion of the results one might anticipate from currently developing data sets.

Initial unemployment claims (those first filing for unemployment benefits) activity jumped strongly in December, and then skyrocketed through January into February. There has been some moderation recently, but the claims activity is still uncomfortably high. When viewing claims activities by the industries the workers came from, the most disturbing aspect is that **all** industrial sectors showed an uptick in claims filed—even against the healthcare and education industries. Activities in those areas should catch the attention of an economy watcher as a troublesome sign. Those industries have been consistently dynamic and growing areas, but to see even a small amount of economic weakening in those industries adds further cause for concern.

**\* Utah's February employment information will be released at 9:00 a.m. on Tuesday, March 24, 2009.**

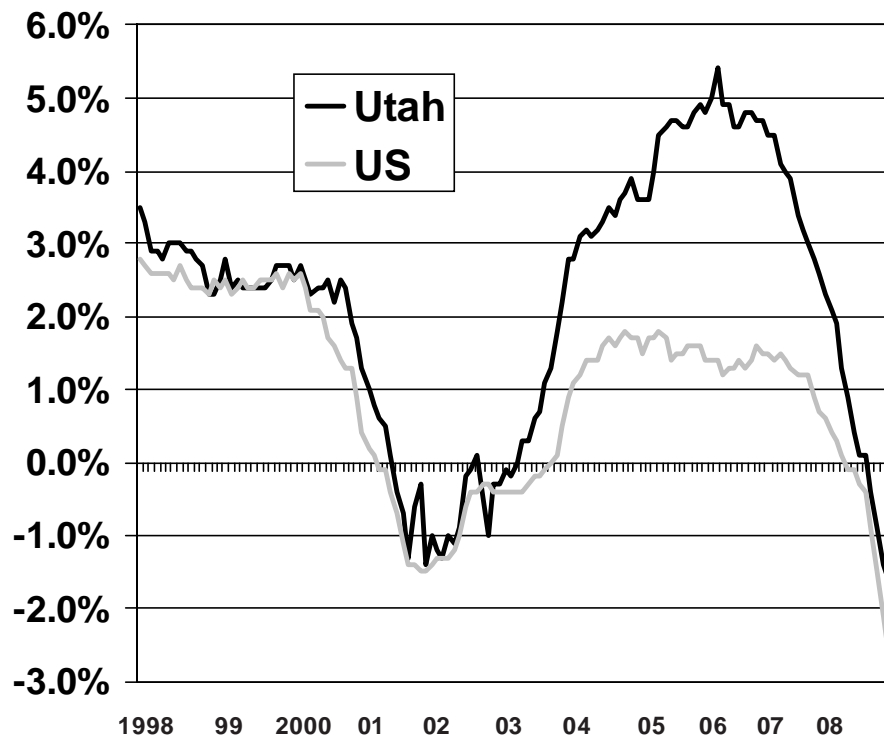
**\* Utah's county unemployment rates for January will be available on Wednesday, March 11.**

## Utah Nonagricultural Jobs by Industry and Components of the Labor Force

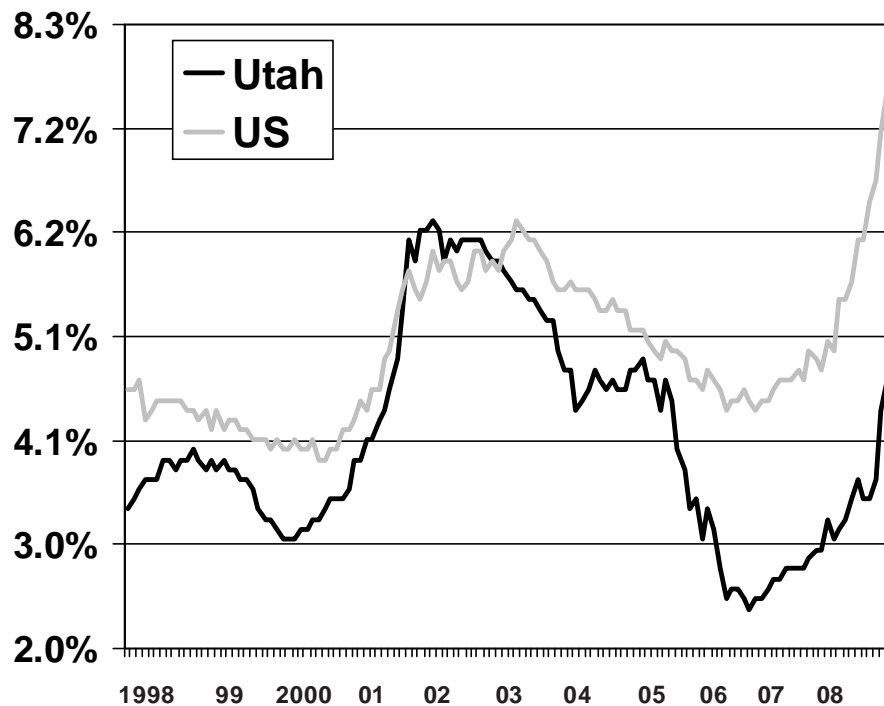
Numbers are in thousands	January(p) 2009	January 2008	Percentage Change	December(r) 2008	December 2007	Percentage Change
<b>CIVILIAN LABOR FORCE (seasonally-adjusted)</b>	<b>1,390.9</b>	<b>1,373.9</b>	<b>1.2</b>	<b>1,400.1</b>	<b>1,384.2</b>	<b>1.1</b>
Employed	1,326.6	1,330.5	-0.3	1,342.8	1,344.6	-0.1
Unemployed	64.3	43.4	48.2	57.3	39.6	44.7
Unemployment Rate	4.6	3.2		4.1	2.9	
<b>NONAGRICULTURAL EMPLOYMENT (Thousands)</b>	<b>1,224.1</b>	<b>1,244.6</b>	<b>-1.6</b>	<b>1,258.2</b>	<b>1,275.8</b>	<b>-1.4</b>
Not seasonally-adjusted						
<b>GOODS PRODUCING</b>	<b>210.4</b>	<b>231.1</b>	<b>-8.9</b>	<b>220.2</b>	<b>240.3</b>	<b>-8.4</b>
Natural Resources, and Mining	13.6	11.4	19.5	13.6	11.3	19.9
Construction	77.2	91.2	-15.4	84.2	99.6	-15.5
Construction of Buildings	16.5	19.8	-16.6	17.7	21.6	-18.0
Heavy and Civil Engineering	8.5	9.5	-10.5	9.5	10.7	
Specialty Trade Contractors	52.2	61.9	-15.7	56.9	67.3	-15.4
Manufacturing	119.6	128.4	-6.9	122.4	129.4	-5.4
Durable Goods	79.1	86.9	-9.0	80.9	87.6	-7.7
Primary and Fabricated Metals	16.2	16.5	-1.9	16.4	16.7	-1.7
Computer and Electronic Products	13.2	13.1	0.4	13.3	13.1	1.2
Transportation and Equipment Manufacturing	13.9	14.4	-3.5	14.0	14.4	-2.5
Non-Durable Goods	40.5	41.5	-2.4	41.5	41.8	-0.6
<b>SERVICES PROVIDING</b>	<b>1,013.7</b>	<b>1,013.4</b>	<b>0.0</b>	<b>1,038.0</b>	<b>1,035.4</b>	<b>0.3</b>
Trade, Transportation, and Utilities	244.0	246.9	-1.2	254.0	256.2	-0.9
Wholesale Trade	46.1	47.7	-3.5	46.6	48.3	-3.5
Retail Trade	146.9	148.3	-0.9	155.5	156.4	-0.6
Motor Vehicle and Parts Dealers	18.9	18.7	1.0	18.6	18.8	-1.2
Food and Beverage Stores	25.3	24.2	4.4	25.1	24.6	2.0
General Merchandise Stores	29.3	28.6	2.2	31.2	30.8	1.4
Transportation and Utilities	50.4	50.9	-1.0	51.9	51.5	0.7
Utilities	4.1	4.1	-1.5	4.1	4.2	-1.0
Transportation & Warehousing	46.3	46.8	-0.9	47.8	47.4	0.8
Air Transportation	6.7	7.1	-4.8	6.8	7.1	-4.7
Truck Transportation	19.0	18.9	0.3	19.6	19.3	1.3
Information	29.8	29.8	-0.1	30.2	32.7	-7.8
Publishing Industries	9.6	9.9	-3.6	9.8	10.0	-2.5
Motion Picture and Sound Recording	3.5	3.8	-8.6	4.0	4.0	-0.1
Telecommunications	5.2	4.9	5.3	5.2	7.3	-28.1
Internet Service Providers	5.3	5.1	3.9	5.6	5.2	6.8
Financial Activities	72.4	74.2	-2.4	73.4	75.3	-2.4
Finance and Insurance	55.0	55.9	-1.6	55.3	56.2	-1.7
Real Estate and Rental and Leasing	17.4	18.3	-4.8	18.1	19.0	-4.7
Professional and Business Services	157.4	159.1	-1.1	163.5	164.4	-0.6
Professional, Scientific, and Technical Services	68.4	66.2	3.2	69.5	67.3	3.3
Architectural, Engineering, and Related	12.8	13.2	-2.6	13.9	13.5	3.4
Computer Systems Design and Related	16.5	15.2	8.4	16.2	15.3	6.0
Management of Companies and Enterprises	20.5	20.4	0.4	20.6	20.7	-0.4
Administration & Support						
& Waste Management & Remediation	68.5	72.4	-5.4	73.4	76.4	-4.0
Employment Services	20.1	22.7	-11.5	22.3	25.9	-14.1
Business Support Services	15.9	17.7	-10.4	16.8	16.0	4.7
Education and Health Services	149.9	144.9	3.5	151.0	145.7	3.6
Educational Services	34.2	33.4	2.6	34.5	33.7	2.5
Health Services and Social Assistance	115.7	111.5	3.8	116.4	112.0	3.9
Ambulatory Health Care Services	46.9	44.4	5.6	47.1	44.5	5.9
Hospitals	31.0	30.4	1.8	31.4	31.2	0.4
Nursing and Residential Care Facilities	21.5	20.9	3.2	21.6	20.8	3.7
Social Assistance	16.3	15.9	3.1	16.4	15.5	5.8
Leisure and Hospitality	109.8	113.7	-3.4	112.7	114.6	-1.7
Arts, Entertainment, and Recreation	17.5	17.6	-1.0	18.3	18.7	-2.6
Accommodation and Food Services	92.3	96.1	-3.9	94.4	95.9	-1.5
Accommodation	18.4	19.6	-6.1	18.6	18.1	2.4
Food Services and Drinking Places	73.9	76.5	-3.3	75.9	77.8	-2.4
Other Services	34.3	34.8	-1.4	35.3	35.6	-0.9
Government	216.8	210.1	3.2	218.1	210.9	3.4
Federal Government	34.5	34.4	0.4	34.7	34.4	1.1
Federal Defense	15.7	15.7	0.1	15.7	15.7	-0.1
Other Federal Government	18.8	18.7	0.6	19.0	18.6	2.1
State Government	66.5	64.7	2.7	66.9	65.3	2.4
State Schools	37.5	36.4	2.9	37.6	36.7	2.5
Other State Government	29.0	28.3	2.5	29.3	28.6	2.3
Local Government	115.8	111.0	4.3	116.4	111.2	4.7
Local Education	67.7	64.8	4.4	68.1	64.7	5.2
Other Local Government	48.1	46.1	4.3	48.4	46.5	4.1

Source: U.S. Bureau of Labor Statistics p = preliminary r = revised March 2, 2009

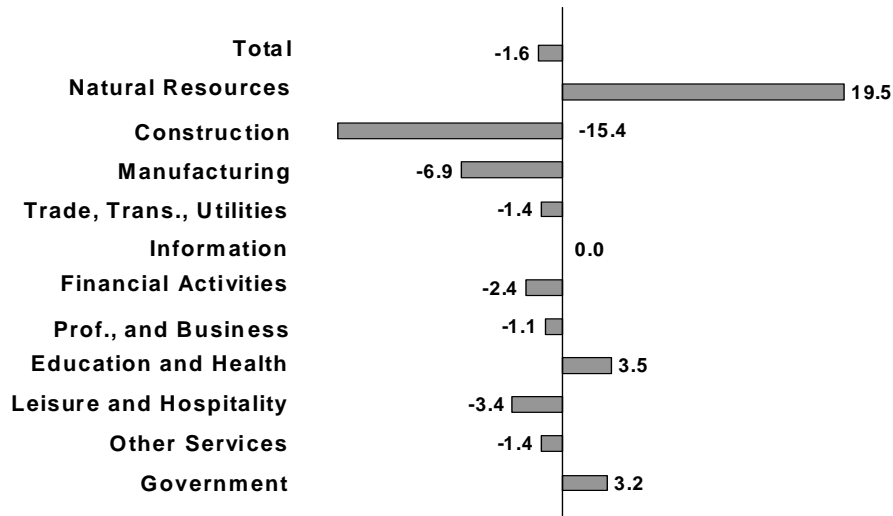
## Year-Over Percent Change in Nonfarm Jobs



## Seasonally Adjusted Unemployment Rates

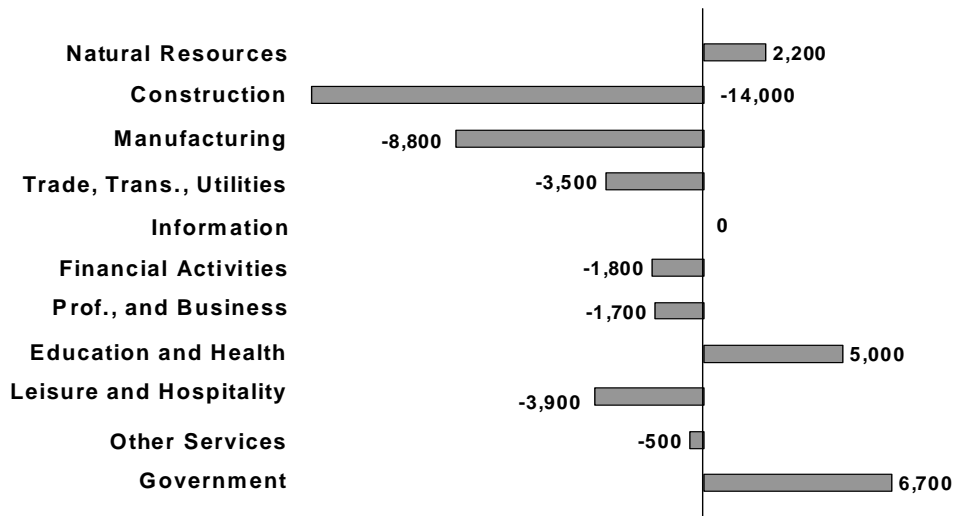


## Utah Nonfarm Industry Profile (Percent Change) January 2008 – 2009



Source: U.S. Bureau of Labor Statistics; Utah Department of Workforce Services

## Utah Nonfarm Industry Profile (Numeric Change) January 2008 – 2009



Source: U.S. Bureau of Labor Statistics

## NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	January 2009(p)	January 2008	Percent Change	December 2008(r)	November 2008(r)
<b>State Total</b>	1,224,120	1,244,564	-1.6	1,258,198	1,261,828
<b>Bear River</b>	70,638	72,064	-2.0	72,686	73,627
Box Elder	19,812	20,284	-2.3	20,408	20,389
Cache	50,200	51,157	-1.9	51,570	52,500
Rich	626	623	0.5	707	737
<b>Wasatch Front</b>	796,276	812,078	-1.9	819,810	823,022
<b>North</b>	195,154	198,405	-1.6	198,615	200,941
Davis	99,346	101,059	-1.7	100,916	102,853
Morgan	1,715	1,861	-7.8	1,861	1,876
Weber	94,092	95,485	-1.5	95,838	96,212
<b>South</b>	601,122	613,673	-2.0	621,195	622,081
Salt Lake	586,087	598,499	-2.1	605,674	606,489
Tooele	15,034	15,174	-0.9	15,522	15,591
<b>Mountainland</b>	214,458	217,695	-1.5	218,565	216,306
Summit	27,155	26,447	2.7	25,641	22,039
Utah	181,405	184,695	-1.8	186,199	187,505
Wasatch	5,898	6,553	-10.0	6,726	6,762
<b>Central</b>	23,733	23,977	-1.0	24,624	24,808
Juab	3,062	3,204	-4.4	3,321	3,432
Millard	3,823	3,875	-1.3	3,935	3,917
Piute	331	334	-0.9	346	365
Sanpete	7,635	7,644	-0.1	7,811	7,858
Sevier	7,927	7,975	-0.6	8,192	8,188
Wayne	956	945	1.1	1,018	1,048
<b>Southwestern</b>	73,036	75,470	-3.2	75,409	76,182
Beaver	2,007	1,977	1.5	2,124	2,131
Garfield	1,985	1,858	6.9	2,225	2,400
Iron	16,462	16,928	-2.8	17,036	17,140
Kane	2,737	2,703	1.2	3,051	3,204
Washington	49,845	52,004	-4.2	50,973	51,308
<b>Uintah Basin</b>	24,610	22,368	10.0	25,057	25,306
Daggett	336	397	-15.4	357	387
Duchesne	8,760	7,828	11.9	8,677	8,621
Uintah	15,514	14,143	9.7	16,023	16,298
<b>Southeastern</b>	21,369	20,912	2.2	22,048	22,577
Carbon	10,046	9,365	7.3	10,027	10,080
Emery	3,640	3,864	-5.8	3,685	3,706
Grand	3,773	3,742	0.8	4,171	4,523
San Juan	3,910	3,941	-0.8	4,165	4,268

p = preliminary r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 3/2/09